



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-17-2016)

Notification of Proposed Production Activity
Max Home, LLC
Subzone 158F
(Upholstered Furniture)
Iuka and Fulton, Mississippi

The Greater Mississippi Foreign-Trade Zone, Inc., grantee of FTZ 158, submitted a notification of proposed production activity to the FTZ Board on behalf of Max Home, LLC (Max Home), for its facilities in Iuka and Fulton, Mississippi. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on March 17, 2016.

Max Home previously had authority to conduct cut-and-sew activity using certain foreign micro-denier suede upholstery fabrics to produce upholstered furniture and related parts (upholstery cover sets) on a restricted basis (see Board Order 1744, 76 FR 11425, March 2, 2011). Board Order 1744 authorized the production of upholstered furniture (chairs, seats, sofas, sleep sofas, and sectionals) for a five-year period, with a scope of authority that only provided FTZ savings on a limited quantity (2.23 million square yards per year) of foreign origin, micro-denier suede upholstery fabric finished with a hot caustic soda solution process (*i.e.*, authorized fabrics). All foreign upholstery fabrics other than micro-denier suede finished with a hot caustic soda solution process (*i.e.*, unauthorized fabrics) used in Max Home's production within Subzone 158F were subject to full customs duties.

The current request seeks to renew Max Home's previously approved FTZ authority indefinitely (with no increase in the company's annual quantitative limit of 2.23 million square yards) and to add foreign-status leather and certain polyurethane-type fabrics to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Max Home from customs duty payments on the foreign-status fabrics used in export production. On its domestic sales, Max Home would be able to apply the finished upholstery cover set (*i.e.*, furniture part) or finished furniture duty rate (free) for the previously authorized fabrics and the additional fabrics (indicated below). Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

Authority to admit foreign-status fabrics to Subzone 158F would only involve micro-denier suede upholstery fabrics finished with a hot caustic soda solution process (classified within HTSUS Headings 5407, 5512, 5515, 5516, 5801, and 5903), polyurethane fabrics backed with ground leather (5903.20.2500), wet coagulation process 100 percent polyurethane coated fabrics (5903.20.2500), and upholstery leather (Heading 4107), as detailed in the notification (duty rate ranges from free to 14.9%).

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the “Reading Room” section of the FTZ Board’s website, which is accessible via www.trade.gov/ftz.

For further information, contact Pierre Duy at Pierre.Duy@trade.gov or (202) 482-1378.

Dated: March 31, 2016

Andrew McGilvray
Executive Secretary

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